GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:2361
ANSWERED ON:17.12.2003
REPORT OF INSTITUTE OF ECONOMIC GROWTH
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of PLANNING be pleased to state:

(a) whether the Institute of Economic Growth in a report has shown thatdecline in the incidence of poverty in the nineties was greater than in the eighties;

(b) if so, whether it is also a fact that in the nineties, growth tended to be pro- poor in urban areas;

(c) if so, the other major points mentioned in the report; and

(d) the present status of the poverty line?

Answer

MINISTER OF STATE IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION, MINISTER OF STATE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI S. B. MOOKHERJEE)

(a): Yes, Sir. The paper on `Declining Poverty in India: A DecompositionAnalysis` by the Institute of Economic Growth has shown that decline in the incidence of poverty in the nineties was greater than in the eighties.

(b): Yes, Sir. The paper has also stated that in the nineties, growth tended to be pro-poor in urban areas.

(c): The other major points mentioned in the report are as follows:

(i) Availability of infrastructure including the information and technology and improved access to health and literacy has possibly contributed to a rise in access to productive employment, and this reduced the adverse inequality effect in the urban area.

(ii) Change in the composition of growth, that is, the shift in value added mix towards industry and tertiary activities, seems to have caused a larger decline in the incidence of poverty in the nineties compared to the eighties.

(iii) Some of the tertiary activities, which have shown growth spur in the post reform period, hold possibilities of generating employment opportunities and thus reducing poverty.

(iv) Labour productivity growth and employment growth in the organized industry are also crucial to poverty reduction.

(d): The national level poverty line at 1999-2000 prices is Rs.327.56 per capita per month in rural areas and Rs.454.11 per capita per month in urban areas.